

Message Text

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ACTION EA-14

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TAGS: PINT, EGEN, EFIN, AS

SUBJ: PRIME MINISTER'S PARLIAMENTARY PROWESS OUT-
MANEUVERS OPPOSITION

REF (A) CANBERRA 5241 (B) CANBERRA 5353

1. BEGIN SUMMARY: IN A FINE DISPLAY OF PARLIAMENTARY
MANEUVERING, PRIME MINISTER WHITLAM IN A PERIOD OF A
FEW DAYS TO GATHER A REFERENDUM PACKAGE CONCERNING
PROPOSED FEDERAL LEGISLATION ON CONTROL OF PRICES
AND WAGES. IN DOING SO HE OVERCAME ANTIPATHY OF MANY
ALP PARLIAMENTARIANS TOWARD ANY ACCOMMODATION WITH
DLP SENATORS WHOSE APPROVAL OF PROPOSED REFERENDUM WAS
NECESSARY FOR ITS PASSAGE IN AUSTRALIAN UPPER HOUSE.
WHITLAM'S VICTORY, WHICH RESULTED FROM A REVERSAL OF
ALP CAUCUS ON REFERENDUM, ADDED CONSIDERABLY TO
WHITLAM'S REPUTATION AND STATURE AS PARTY LEADER AFTER
CAUCUS REJECTION LAST WEEK HAD HIM DESCRIBED AS BEING
REBUFFED BY HIS OWN PARTY. OPPOSITION LEADERSHIP,
PARTICULARLY LIBERAL LEADER SNEDDEN, MAINTAINED
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STATIONARY POSITION AGAINST REFERENDUM IN ANY FORM
AND WAS LEFT TRAILING FAR BEHIND EVENTS. SNEDDEN'S
HARSH ATTACK UPON THE DLP FOR SUPPORTING REFERENDUM
PACKAGE IN SENATE MAY SEVERELY HAVE DAMAGED FORMERLY

CORDIAL RELATIONS BETWEEN THESE TWO PARTIES, ALTHOUGH
SNEDDEN HIMSELF IS MAIN TARGET OF DLP INVECTIVE AT
PRESENT TIME. END SUMMARY.

2. IN A BRAVADO SHOW OF PARLIAMENTARY ACUMEN, PRIME
MINISTER WHITLAM SUCCEEDED ON SEPT 26 IN HAVING A
PROPOSED REFERENDUM TO PROVIDE THE FEDERAL GOVERNMENT
WITH AUTHORITY TO SET NATIONAL STANDARDS ON PRICES AND
INCOMES PUSHED THROUGH BOTH HOUSES OF THE AUSTRALIAN
PARLIAMENT. ALP PARLIAMENTARY DISCIPLINE ON THIS
SUBJECT IN THE HOUSE WAS ASSURED AFTER WHAT WAS
APPARENTLY A STRONG AND IMPASSIONED ADDRESS BY WHITLAM
TO THE ALP PARLIAMENTARY CAUCUS EARLIER IN THE WEEK.
IN THIS ADDRESS THE PRIME MINISTER IS REPORTED TO HAVE
THREATENED TO RESIGN IF CAUCUS DID NOT AGREE TO SUPPORT
HIS DEMAND FOR A REFERENDUM INCLUDING INCOMES. THE
ACTUAL WORDS HE USED APPARENTLY SPOKE OF THE
CAUCUS HAVING TO "ACCEPT THE CONSEQUENCES" IN TERMS
OF THE LAP'S ELECTORAL STATUS SHOULD THEY NOT APPROVE
OF HIS PLAN. THE LEGISLATION WAS PASSED IN THE SENATE
WITH THE SUPPORT OF THREE INDEPENDENTS AFTER WHITLAM
HAD IN HIS POCKET A WRITTEN GUARANTEE OF SUPPORT FOR
THIS LEGISLATION FROM FOUR DLP SENATORS. (THE FIFTH
DLP SENATOR, PARLIAMENTARY LEADER GAIR, CONTINUES TO
BE HOSPITALIZED IN BRISANBE: AND ALP SENATOR DOUG
MCCLELLAND, MINISTER FOR THE MEDIA, WAS IN CANBERRA
HOSPITAL RECOVERING FROM EXHAUSTION).

3. THE VOTING ON THE PUTTING OF A REFERNDUM TO THE
AUSTRALIAN VOTERS HAD TO RECEIVE AN ABSOLUTE MAJORITY
IN BOTH HOUSES, I.E. A MAJORITY OF THE TOTAL NUMBER OF
SEATS IN EACH HOUSE RATHER THAN A SIMPLE MAJORITY OF
THOSE VOTING AND PRESENT. IN THE HOUSE, THE GOVERNMENT
VOTE WAS 64 AND IT NEEDED 63. IN THE SENATE THE VOTE
WAS 32 AND IT NEEDED 30.

4. THE SEPARATION OF THE REFERENDUM INTO APPROVAL FOR
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PRICES AND /OR INCOMES AS SEPARATE ITEMS WAS DONE AS
AN ACCOMMODATION TO THE AUSTRALIAN TRADE UNIONS WHO
WILL NOW BE ABLE TO CAMPAIGN IN FAVOR OF GRANTING
PRICES BUT NOT INCOMES LEGISLATIVE AUTHORITY TO THE
GOVERNMENT. DESPITE EARLIER INDICATIONS THAT THE TRADE
UNION LEADERSHIP WAS ADAMANTLY OPPOSED TO LEGISLATION
ON INCOMES (READ WAGES) TO CENTRAL AUTHORITY ON A
PERMANENT BASIS, TWO FACTORS HELPED TO SWAY THEIR
REPRESENTATIVES IN PARLIAMENT TO SUPPORT THE PRIME
MINISTER'S PLAN: A) THE FACT THAT INCOMES TAKEN
LITERALLY WILL INCLUDE NOT ONLY WAGES BUT ALSO RETURNS
FROM DIVIDENDS, INTEREST AND RENTS. AND B) A PROMISE

BY PRIME MINISTER WHITLAM TO USE AUTHORITY OVER INCOMES, IF GRANTED, " FLEXIBLY AND SELECTIVELY AS THE SITUATION DEMANDS." THIS WAS SEEN AS A DIRECT SOP TO TRADE UNIONISTS.

5. WHITLAM'S SUCCESS IN PUTTING TOGETHER A REFERENDUM PACKAGE ACCEPTABLE TO ALP CAUCUS AND TO DLP SENATORS IS CONSIDERED TO HAVE BEEN A MASTERLY PARLIAMENTARY STROKE. WHITLAM'S VICTORY OVER OPPOSITION WITHIN THE CAUCUS WHICH JUST A WEEK BEFORE HAD DENIED HIM THE FLEXIBILITY WHICH THE NEW REFERENDUM PROPOSES, IS SEEN AS A BROADER RETURN OF AUTHORITY AND STANDING TO THE PRIME MINISTER. IN CONVINCING THE DLP SENATORS AND DYED-IN-THE -WOOL ALP CAUCUS OPPONENTS TO ANY TRUCK WITH THE DLP TO ACCEPT THE RE-STRUCTURED REFERENDUM, WHITLAM AGAIN SHOWED OUTSTANDING POLITICAL PROWESS. HE IN AFFECT LEFT THE OPPOSITION LIBERAL AND COUNTRY PARTY LEADERSHIP TRAILING FAR BEHIND EVENTS. LIBERAL PARTY LEADER SNEDDEN APPARENTLY HAD HOPED FOR AN ALP UPRISING AGAINST MAKING ANY ACCOMMODATION WITH THE DLP TO PREVENT THE PRIME MINISTER FROM PULLING OFF HIS COUP. AT ANY RATE, THE OPPOSITION'S NEGATIVE POSITION WITH REGARD TO BOTH PRICES AND INCOMES LEGISLATION REMAINED STATIONARY FROM BEGINNING TO END.

6. SNEDDEN'S SPEECH IN PARLIAMENT SEPT . 26, IF NOT DOWNRIGHT RUDE TO THE DLP, SEEMED TO INDICATE A CONSIDERABLE LOSS OF CONFIDENCE IN THE ABILITY OF THE DLP TO BE A CONTINUING FORCE IN AUSTRALIAN POLITICS.
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(WHILE SNEDDEN TALKED , SEVERAL ALP REPS SHOUTED THAT MANY LIBERAL MEMBERS WOULD NOT BE RE-ELECTED WITHOUT DLP PREFERENCES AT THE POLLS.) SNEDDEN TAUNTED WHITLAM WITH THE PARODY OF MR. WHITLAM'S COMMENT ON TALK OF A POSSIBLE COUNTRY PARTY AND DLP MERGER A FEW MONTHS AGO BY ASKING "WHO IS CHURCHING THE OLD WHORE NOW?" SNEDDEN WENT ON TO DESCRIBE DLP-ALP COOPERATION IN THE SENATE AS A "VERY MANGY DEAL"AND "WOBBLY POLITICAL EXPEDIENCY". DESPITE THE HEADLINES GENERATED BY SNEDDEN'S HARSH ATTACK, HIS QUESTIONING OF THE NEED TO DELAY APPLICATION OF CONTROLS UNTIL A REFERENDUM CAN BE HELD (NEW SOUTH WALES AND VICTORIA ALREADY HAVE THIS POWER OVER PRICES), NOW TENDS TO CAST DOUBT ON THE NEED FOR PRICES AND INCOMES LEGISLATION AT ALL. IT IS PROBABLY RIGHT TO SAY THAT HIS POSITION IS NOT UNDERSTOOD OR APPRECIATEDBY THE COMMON MAN. AT THE SAME TIME IT CAN BE SAID THAT WHITLAM'S PARLIAMENTARY MANEUVERINGS WILL ALSO NOT BE UNDERSTOOD BY THE AVERAGE AUSTRALIAN VOTER. IT WILL BE CLEAR OF COURSE ON DECEMBER 8 WHEN THE REFERENDUM IS HELD WHERE THE

AUSTRALIAN VOTER STANDS ON THESE TWO MATTERS.

7. LABOR OFFICE MELBOURNE REPORTS THAT TRADE UNION LEADERS ARE VERY RESERVED AND RELUCTANT TO TALK ABOUT ATTACK BY ACTU AND ALP PRESIDENT BOB HAWKE ON ALP CAUCUS OR WHITLAM -HAWKE PUBLIC DIFFERENCES ON WAGE CONTROLS (REF A). THEY APPARENTLY ARE KEEPING MUM UNTIL NEXT MEETING OF ALP FEDERAL EXECUTIVE SCHEDULE FOR EARLY OCTOBER IN ADELAIDE. ONLY EXCEPTION AMONG LABOR LEADERS CONTACTED BY LABOR OFFICER TO GENERAL LINE OF KEEPING QUIET WAS ALP FEDERAL SECRETARY DAVID COMBE WHO WAS FRANKLY CRITICAL OF THE MANNER IN WHICH HAWKE ATTACKED CAUCUS ON INCOMES BEING INCLUDED IN REFERENDUM.
GREEN

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